

Exhibit 1

Brian J. Beck

From: Kaltsas, Chris (USACAN) <Chris.Kaltsas2@usdoj.gov>
Sent: Thursday, July 02, 2020 11:19 AM
To: Manny Medrano; Brian J. Beck
Subject: Motion to Seal
Attachments: Ex Parte Declaration.pdf

Gentlemen,

Attached is the ex parte filing we discussed. As always, feel free to reach out with any questions. I hope you both have an enjoyable long weekend.

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United States Attorney

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10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION
13

14 UNITED STATES OF AMERICA,) CIVIL CASE NO. 20-02013-VC

15 Plaintiff,)

16 v.)

17 **EX PARTE DECLARATION OF ASSISTANT**
UNITED STATES ATTORNEY CHRIS
KALTSAS IN SUPPORT OF MOTION TO STAY
PURSUANT TO 18 U.S.C. § 981(g)

18 ONE PARCEL OF REAL PROPERTY)
19 LOCATED AT 9414 PLAZA POINT DRIVE,)
MISSOURI CITY, TEXAS, 77459,)

20 Defendant,)

21 ROWLAND MARCUS ANDRADE,)

22 Claimant,)

23 SOLMAZ ANDRADE,)

24 Claimant, and)

25 WILMINGTON SAVINGS FUND SOCIETY,)
26 FSB as trustee for IRP FUND II TRUST 2A,)

27 Claimant.
28

1 I, Chris Kaltsas, Assistant United States Attorney for the Northern District of California, state as
2 follows:

3 1. I am the AUSA assigned the above entitled civil forfeiture action. I make this declaration
4 in support of the Motion to Stay the above entitled action and to request that this *ex parte* Declaration be
5 filed under seal.

6 2. On or about February 10, 2020, I learned that the United States Attorney's Office for the
7 Northern District of California was investigating a large scale cryptocurrency fraud involving Rowland
8 Marcus Andrade, a claimant in this case ("claimant"). At that time, I learned that claimant was
9 liquidating his equity in various assets he had purchased with purportedly ill-gotten funds as a result of
10 this scheme, including the real property named in the complaint.

11 3. It is my understanding, based on conversations with the AUSA handling the prosecution
12 in the Northern District of California (the "AUSA"), that during the course of the investigation,
13 information was obtained from various sources, including victims, purported employees of claimant, and
14 undercover agents, among others. As of this time, the Government has not revealed the identities of
15 these persons to any of the claimants in this case.

16 4. The AUSA informed me that the investigation revealed that the claimant and putative co-
17 conspirators told individuals interested in investing in cryptocurrency that he was creating AML Bitcoin,
18 the first cryptocurrency designed to meet various banking requirements imposed by banking customers
19 all over the world. Claimant told these individuals that the coin would be secured by biometric
20 technology, among other things. According to the agents in this case, the Claimant obtained investors'
21 money and never used it to develop AML Bitcoin; instead, he enriched himself and his family in various
22 respects, including the purchase of the property named in the complaint.

23 5. This complaint was filed on March 23, 2020. At that time, the AUSA was planning on
24 soon indicting claimant for his role in the fraud described above. At the same time, however, the
25 shutdown and Shelter in Place ("SIP") orders imposed by local authorities caused the United States
26 Attorney's Office for the Northern District of California to order maximum telework. The goal of this
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1 policy was to ensure the health and safety of the Office's employees and its judicial and law
2 enforcement partners.

3 6. As part of its effort to ensure the safety of the general public, the AUSA did not seek an
4 indictment because the grand jury was not sitting during the pendency of the pandemic. The AUSA did
5 not believe that they would move forward without an indictment, as they did not expect the current
6 conditions and circumstances to persist for over two months.

7 7. The United States, like claimant, is subject to various civil discovery obligations. As part
8 of those obligations, claimant may seek the identities of those victims, employees, and undercover
9 officers mentioned in the complaint. There is the possibility that allowing claimant to uncover the
10 identities of these individuals may jeopardize their safety, as well as the safety of their families and
11 associates. Moreover, there is a possibility that allowing claimant to obtain this information would
12 compromise other investigations pertaining to claimant's associates.

13 8. Claimant has threatened the Government with motions to dismiss, motions to impose
14 sanctions, and other untimely remedies unless the Government provides extremely fulsome discovery
15 upfront. However, the government cannot disclose all of the facts known to law enforcement, which
16 provide reasonable suspicion to detain the package, without disclosing the existence and nature of the
17 related criminal investigation. As such, the failure to stay the present case would adversely affect the
18 related criminal investigation.

19 9. It is my understanding that the AUSA intends to file a criminal complaint against
20 Claimant and arrest Claimant for his participation in the fraud scheme in the next 90 days.

21 I declare under penalty of perjury that the foregoing is true and correct.

22 DATED: May 27, 2020

Respectfully submitted,

23 DAVID L. ANDERSON
24 United States Attorney

25
26 _____
27 CHRIS KALTSAS
28 Assistant United States Attorney